



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 12/02/03
AGENDA ITEM 2
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Acting Finance Director
SUBJECT: Approval of Equipment Lease Financing

RECOMMENDATION:

It is recommended that City Council adopt the attached resolution authorizing the City Manager to execute the Equipment Lease/Purchase Agreement and other lease financing documents with La Salle National Leasing Corporation.

BACKGROUND:

The 2003-2004 adopted budget made allowance for the purchase of certain motor vehicles for planned replacement of existing equipment. The Equipment Management Division budget for 2003-2004 includes this acquisition and authorizes the use of a lease purchase transaction to finance its purchase. It was determined that purchasing through the lease purchase arrangement is a better use of City dollars because of currently low interest rates. The vehicles to be financed will replace five vehicles in the Public Works Department and sixteen cars in the Police Department.

Staff sent Requests for Proposals to sixteen providers of municipal lease financing. Six proposals were received. The net effective interest rates offered ranged from 3.03% to 4.15%. The lowest cost proposal was submitted by La Salle National Leasing Corporation. The equipment will be financed over a five year term; this equates to a total of payments of \$828,623.70 to finance the \$763,565 current acquisition cost.

Lease documents are on file and available for review with the City Clerk.

Recommended by:


Diane Lewis, Acting Finance Director

Approved by:


Jesús Armas, City Manager

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 03-

mal
11/25/03

Introduced by Council Member _____

RESOLUTION AUTHORIZING EXECUTION OF
EQUIPMENT LEASE/PURCHASE AGREEMENT AND
OTHER DOCUMENTS NECESSARY TO PROCURE
EQUIPMENT LEASE FINANCING FROM LA SALLE
NATIONAL LEASING CORPORATION

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manger to execute a Equipment Lease/Purchase Agreement with La Salle National Leasing Corporation and any other documents that may be necessary in order to procure equipment lease financing necessary for two street sweepers, two water meter reader Jeeps, one ten yard dump truck and sixteen model year 2003, used rental/lease return sedans to be used as unmarked detective vehicles, on file in the office of the City Clerk and in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA December 2, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward